



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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Board of Supervisors

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April 20, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AMENDMENT NO. 1 TO THE JOINT OCCUPANCY AGREEMENT FOR THE LONG BEACH COURTHOUSE (FOURTH DISTRICT) (3 VOTES)

SUBJECT

The recommended action will amend the Joint Occupancy Agreement between the County and the Judicial Council of California for the Long Beach Courthouse to subordinate it to a new lease agreement between the Judicial Council and the Redevelopment Agency of the City of Long Beach, and to make certain other changes to effect County occupancy in a new courthouse to be constructed in downtown Long Beach.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the recommended actions are categorically exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chair to sign the Amendment No. 1 to the Joint Occupancy Agreement for the Long Beach Courthouse with the Judicial Council of California.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 19, 2007, your Board approved the Transfer Agreement for the Long Beach Courthouse, transferring responsibility for the Superior Court share of facilities operations at the Long Beach Courthouse to the Judicial Council of California, effective July 1, 2007. The Transfer Agreement also required the County to provide a Quitclaim Deed that, upon acceptance by the State, would transfer title for the Courthouse property from the County to the State. A Certificate of Acceptance was signed by the State on April 10, 2008, and the accepted Quitclaim Deed was recorded in the Official Records of the County Recorder's Office on April 15, 2008. Under the Long Beach Transfer Agreement, and all other court facilities transfer agreements, the County and the State share equity in courthouse properties based on shares of occupancy, notwithstanding which entity actually holds title to the property.

Meanwhile, on February 6, 2008, your Board approved an agreement for the transfer of the County's equity interest in the Long Beach Courthouse for a payment of \$5.9 million to the County, along with a contractual commitment by the Judicial Council that they would make at least 39,403 usable square feet of space available to the County at a substantially discounted rate in a new Long Beach Courthouse, currently expected to be completed in Fall 2012. This 39,403 usable square feet is the size of the existing County occupancy, but due to overcrowding, as well as the present housing of additional court-related County staff in nearby leased space, does not represent the County's full need for the Long Beach area; the County and the Administrative Office of the Courts (AOC), the staff agency to the Judicial Council, have worked together to ensure that plans for the new courthouse include sufficient space for the County's "justice partners" staff.

Concurrently with the approval of the Long Beach Transfer Agreement, the County and the Judicial Council entered into a Joint Occupancy Agreement, setting the terms and conditions for the shared use of the existing courthouse by the County and the Superior Court, along with the other State parties. Among those terms and conditions is the County's right to remain in the courthouse until the Joint Occupancy Agreement is terminated on mutual consent by the County and the Judicial Council.

Recently, the AOC negotiated a set of agreements with the Redevelopment Agency of the City of Long Beach (City). Pursuant to those agreements, the City and the State would trade ownership of a City-owned parcel at the corner of Magnolia Avenue and Third Street in Long Beach for the now-State-owned Long Beach Courthouse. The State would then cause a new courthouse to be built on the former City property, and lease back the existing courthouse until the new courthouse would be completed, at which point, the City would have total control of the property where the existing

courthouse is situated. Because of the County's rights to occupy the existing courthouse, these City-State agreements are inconsistent with the Joint Occupancy Agreement, unless it is amended.

The attached Amendment No. 1 to the Joint Occupancy Agreement requires the County to agree that its rights are subordinated to the lease between the City and the State, essentially requiring the County to fully vacate the existing courthouse when the new courthouse is ready for occupancy, the Superior Court moves out and the City takes control of the property. Because the 39,403 usable square feet guaranteed to the County in the new courthouse is based on County occupancy in the existing courthouse and is insufficient to meet projected County needs, including a new home for the Probation Department's Long Beach field office, the Amendment provides that the State will ensure that the additional 35,025 usable square feet that we estimate is needed is made available to the County in the new courthouse at market rent for similar office space in the Long Beach area.

While the County is allowed, but not required, to occupy the full area allocated to it in the new courthouse, the Amendment ensures that the County departments, including District Attorney, Public Defender, Alternate Public Defender, Sheriff, and Probation, are neither left scrambling for new space or paying unreasonable amounts of rent or operating costs in the existing courthouse if the County is the only tenant left in the building.

At this time, we are planning to move forward with the 74,428 usable square feet of space in the new courthouse, which we expect to occupy under a lease, and will be returning to your Board at the appropriate time when the lease is prepared.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide the public with beneficial and responsive services (Goal 1). Amendment No. 1 to the Long Beach Joint Occupancy Agreement will support the County's efforts to maintain efficient and effective court-related County services in the Long Beach area to the benefit of the public.

FISCAL IMPACT/FINANCING

Currently, the County spends, on a net basis, approximately \$0.6 million for operations and maintenance at the existing courthouse. When a new courthouse is completed by the State, one of the following scenarios will occur:

- Having executed Amendment No. 1, the County relocates along with the Superior Court to the new courthouse (recommended): Under this scenario, the County will be responsible for all rent, guaranteed by the Amendment to be offered at market rates, and, if not included in the rental rate, all operations and maintenance costs in the new building, also at market rates, except that, for the first 39,403 usable square feet of space, the County will have the benefit of all related common area at no additional rental cost. Under this scenario, lease costs, including operations and maintenance, are estimated between \$2.0 and \$3.5 million per year, an increase of between \$1.4 and \$2.9 million in addition to approximately \$6-\$7 million in one-time tenant improvement costs. These additional costs would be partially offset by savings from vacating current leases, approximately \$0.3 million annually.
- Having executed Amendment No. 1, the County relocates all or part of its staff to office space near the new courthouse (not recommended): Under this scenario, costs would be similar to those of occupancy in the new courthouse, except that the County would forego the discount guaranteed by the State for the first 39,403 square feet of space. However, not only would nearby office be difficult to procure on a timely basis, particularly for the Probation Department field office, but the efficiency and effectiveness of prosecution and defense services, as well as of the Superior Court, would be reduced if those departments are not collocated in the new courthouse.
- The County remains in the existing courthouse and does not execute Amendment No. 1 (not recommended): Under this scenario, costs would theoretically increase only by inflation. Under the existing Joint Occupancy Agreement, even if the Superior Court moves out, the County remains responsible for only 24 percent of operations and maintenance costs. However, this situation would undermine the State's ability to build the new courthouse within the next several years, and would jeopardize the County's ability to provide efficient and effective court-related services. (Note that the County has no right to remain in the existing courthouse beyond 45 days after the State vacates, if the County executes Amendment No. 1.)

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

For several years prior to the execution in June 2007 of the Transfer Agreement and Joint Occupancy Agreement for the Long Beach Courthouse, the City of Long Beach has led planning efforts to locate a new courthouse within its downtown area. The City determined that a City-owned property on the corner of Magnolia Avenue and Third

Street, one block inland from the existing courthouse, would be the most favorable location, and the City and Judicial Council have agreed to pursue building of a new courthouse on that property. In order to facilitate the project, the City and the Judicial Council came to an accord on the terms of an Agreement for the Exchange of Real Property, wherein the City would become the owner of the existing courthouse, contingent upon approval by the County and the Judicial Council of an amendment to the Joint Occupancy Agreement. Additionally, in September 2009, the Judicial Council and the City entered into a lease, wherein the Judicial Council would lease the existing courthouse from the City. Once that lease was executed by both parties, the AOC began working with the Chief Executive Office to negotiate the amendment to the Joint Occupancy Agreement, resulting in the attached Amendment No. 1.

Based in part on their current fiscal situation, the State legislature determined that the new Long Beach Courthouse capital project would be effected through a design-build/lease-leaseback agreement with a developer consortium. Thus, the new courthouse property will be owned by the State, and leased to a not-yet-chosen developer, built and operated by that developer, and leased back to the Judicial Council and to the County separately for up to 35 years, at which point, the State will assume ownership of the property. The required length of the County's tenancy is not fixed, but the Judicial Council has guaranteed the County's right for the first 39,403 usable square feet, through the Agreement for Compensation for Equity Interest, approved by your Board in February, 2008. The Judicial Council is committing to provide the additional 35,025 usable square feet via the attached Amendment No. 1.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are categorically exempt from the provisions of CEQA pursuant to Section 15301 of the State CEQA Guidelines, since the Long Beach Courthouse is an existing public facility, and the recommended actions involve no expansion of use of the facility.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Inasmuch as the State will continue to operate the Long Beach Courthouse during the entire operable period of this Amendment No. 1, there is no significant impact in the levels or quality of services provided to County constituents.

The Honorable Board of Supervisors
April 20, 2010
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CONCLUSION

Please return one adopted copy of this letter and two signed originals of Amendment No. 1 to the Joint Occupancy Agreement for the Long Beach Courthouse to the Chief Executive Office, Asset Planning and Strategy, for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:DJT
MV:zu

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Alternate Public Defender
District Attorney
Probation Department
Public Defender
Sheriff

AOC Facility # 19-Y1
County LACO #4288
Long Beach Courthouse JOA Amendment 1
415 W. Ocean Blvd., Long Beach, CA 90802

**AMENDMENT NO. 1 TO THE JOINT OCCUPANCY AGREEMENT
FOR THE LONG BEACH COURTHOUSE**

THIS AMENDMENT NO. 1 TO THE JOINT OCCUPANCY AGREEMENT FOR THE LONG BEACH COURTHOUSE (this "**JOA Amendment**") is made and entered into the ____ day of _____, 2010 (the "**Effective Date**") by and between the Judicial Council of California, an entity established by the Constitution of the State of California (the "**Council**"), by and through the Administrative Office of the Courts, the staff agency to the Council (the "**AOC**"), and the County of Los Angeles, a body corporate and politic (the "**County**").

RECITALS

A. Pursuant to that certain Transfer Agreement between the Council and the County for the Transfer of Responsibility for and Title to the Long Beach Courthouse, which the County has identified as County Agreement No. 76184, dated June 19, 2007, (the "**Transfer Agreement**"), the County conveyed to the State of California (the "**State**") title to the Real Property (as defined in the Transfer Agreement) by quitclaim deed recorded on April 15, 2008 as Document No. 20080646034, of Official Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

B. The Council and the County entered into that certain Joint Occupancy Agreement for the Long Beach Courthouse, which the County has identified as County Agreement No. 76185, dated June 19, 2007 (the "**JOA**"), to set forth the terms governing the Parties' respective rights and responsibilities regarding their shared possession, occupancy, and use of the Real Property.

C. Pursuant to that certain Agreement for Compensation for Equity Interest between the Council and the County, which the County has identified as County Agreement No. 76467, dated February 6, 2008 (the "**Equity Compensation Agreement**"), the Council has paid the County the Compensation (as defined therein) for its Equity interest in the Real Property.

D. Pursuant to an Agreement for the Exchange of Real Property and Escrow Instructions dated September 17, 2009 (the "**Exchange Agreement**") between the Council and the Redevelopment Agency of the City of Long Beach (the "**Agency**"), the State, concurrently herewith, is conveying the Real Property to the Agency, and the

Agency and the Council are entering into a Lease ("**Lease**"), a copy of which is attached as **Attachment "1,"** whereby the Agency leases the entire Real Property to the Council.

E. The Parties contemplate that the Replacement Courthouse (as defined in the Equity Compensation Agreement) will be built on certain property to be acquired by the Council from the Agency pursuant to the Exchange Agreement. The Parties further acknowledge that the Council and the AOC shall require and ensure that the Developer (as defined in the Equity Compensation Agreement) of the Replacement Courthouse make the Replacement Space (as defined in the Equity Compensation Agreement) available to the County pursuant to Section B of the Equity Compensation Agreement.

F. The Council and the County now desire to amend the JOA, as set forth in this JOA Amendment.

NOW THEREFORE, the County and the Council do hereby agree as follows:

1. SUBORDINATION TO LEASE

1.1 Subordination. The Parties acknowledge and agree that the rights of the Parties under the JOA are subject and subordinate to the Lease.

1.2 Compliance by County. The County shall exercise its rights to use and occupy the County Exclusive-Use Area and its nonexclusive right to use the Common Area in such a manner as will not cause any default under the Lease as it exists on the Effective Date of this JOA Amendment. Except for the foregoing, nothing herein or in the Lease shall expand the County's existing obligations or reduce the County's rights under the Transfer Agreement or the JOA. The Council and AOC shall reasonably cooperate with the County by enforcing the provisions of the Lease relevant to the County's rights under the JOA, for the County's benefit.

1.3 Compliance by Council; No Material Amendment. The Council shall pay all Rent due under the Lease, shall comply with the terms and conditions of the Lease and shall perform all obligations of the Tenant thereunder. The Council shall not amend, modify or alter any terms or conditions of the Lease in a manner that materially affects the rights of the County under the JOA.

2. DEFINITIONS

2.1 Amended and Restated Definitions. The following definitions in section 2 of the JOA are deleted in their entirety and replaced with the following:

"Owner," for the purposes of the JOA only, means the County prior to the Title Transfer Date, and the State after the Title Transfer Date.

“Term” means the term of the JOA, which commences on the Responsibility Transfer Date and continues indefinitely until the earlier of: (1) the Parties enter into a Termination Agreement, or (2) the Lease terminates after both Parties vacate the Real Property. In the event that the Lease is terminated by reason of the State’s re-acquisition of fee title to the Real Property, the JOA shall continue in full force and effect, but shall be amended by the parties to reflect that the Lease is no longer in effect. .

3. MANAGING PARTY, COMMON AREA DELEGATION

The Parties acknowledge and agree that, as of the date of this JOA Amendment, the Council has assumed all of the rights and responsibilities of Managing Party under the JOA, and the Common Area Delegation set forth in Section 3.2.2.2 of the JOA has been terminated by mutual agreement. The Parties further acknowledge and agree that, as of the date of this JOA Amendment, the County is managing a portion of County Auto Park 67A and utilities and energy management services for the Long Beach Courthouse under separate agreements between the Parties.

4. OWNER DUTIES

Notwithstanding the transfer of fee ownership of the Real Property to the Agency, the Parties acknowledge and agree that for purposes of the JOA only, the Council shall continue to hold the rights and responsibilities of Owner and the County shall continue to hold the rights and responsibilities of the Non-Owning Party.

5. LEASES, OCCUPANCY AGREEMENTS, AGREEMENTS WITH CONTRACTORS

Notwithstanding anything to the contrary contained in the JOA, the Parties agree that (a) any Occupancy Agreement and (b) any agreement with any Contractor shall be expressly subordinate to the terms and conditions of the Lease as it exists on the Effective Date of this JOA Amendment. Further, the Council shall cooperate with the County to obtain any required consents by the Agency, as landlord under the Lease, to any Occupancy Agreement or any agreement with any Contractor which the County desires to enter into, if such Occupancy Agreement or other agreement is allowable under the JOA.

6. VACATION OF THE BUILDING

The Council and the AOC shall require the Developer to design the Replacement Courthouse to include, in addition to the Replacement Space, at least 35,025 additional useable square feet of office space (the **“Additional Space”**), and to

make the Additional Space available to the County in the Replacement Courthouse wherein the consideration for basic rent, exclusive of normal operating costs, to be paid by the County for the Additional Space is a per-square-foot price that reflects fair rental value for rentable square feet in the Long Beach area for similarly situated Class A office properties of a similar age, subject to the County's discretion to reduce the Additional Space. If the Replacement Space and Additional Space in the Replacement Courthouse are completed, then the County shall vacate the Real Property within 45 days after the later of: (a) the date that the State Parties fully vacate the Real Property, or (b) one or more Certificate(s) of Occupancy for both the Replacement Space and the Additional Space have been issued by the building official for the City of Long Beach ("County Vacation Date").

7. DEFAULT UNDER THE LEASE

Prior to the County Vacation Date, the Council and the AOC shall not cause any default to remain uncured beyond any applicable notice or cure period, such that the Council and the AOC would no longer be entitled to exercise a Renewal Option under Section 4.2 of the Lease. If such uncured default under the Lease exists, which may reasonably be expected to remain uncured during the County's occupation of the Real Property prior to the County Vacation Date, the County may give written notice to the Council and the AOC that the County intends to cure such default. If the Council or AOC fail to cure the default within ten (10) days after receipt of such notice, the County may, at its sole option, cure such default, and the Parties shall be jointly responsible for all costs of such cure pursuant to the provisions of the JOA.

8. LEASE TERMINATION

Notwithstanding Section 4.3 of the Lease, the Council and the AOC shall not terminate the Lease prior to the County Vacation Date in a manner inconsistent with the County's rights under the JOA, without the prior written consent of the County. For the avoidance of doubt, termination of the Lease by reason of the State's re-acquisition of fee title to the Real Property shall not be deemed inconsistent with the County's rights under the JOA.

9. PROPERTY MANAGEMENT AND PAYMENT OF COSTS AFTER COUNTY VACATION DATE

If the County fails to fully vacate the Real Property by the County Vacation Date, then, from and after the County Vacation Date, (a) the County shall be the Managing Party under the JOA and shall be responsible for Operation of the Real Property; (b) the "Council Share" as defined in the JOA shall mean 0 percent, (c) the

“County Share” as defined in the JOA shall mean 100 percent, and (c) the County shall bear all costs of Operation of the Real Property and payment of all Rent (as defined in the Lease, including Rent payable during any Renewal Term) payable under the Lease as it exists as of the Effective Date of this JOA Amendment to the extent arising from and after the County Vacation Date, until the County provides notice to the City of Long Beach that the County has vacated the Real Property.

10. COURTHOUSE PARKING STRUCTURE

The Parties acknowledge and agree that the County provided the Provided Superior Court Parking as an interim measure until such time as the Parties were able to transfer responsibility for County Auto Park 67B to the Council under the Act. The Parties’ respective rights and obligations with respect to County Auto Park 67B, located at 101 Magnolia Avenue, Long Beach, California are now governed by that certain Joint Occupancy Agreement Between the Council and the County for the Long Beach Courthouse Parking Structure, identified by the County as Agreement No. 76906, dated December 16, 2008. Therefore, Section 3.3.2 of the JOA and all references to the Provided Superior Court Parking are deleted and of no further force or effect as of December 16, 2008.

11. MISCELLANEOUS

11.1 No Other Changes. Except as it is expressly amended pursuant to this JOA Amendment, the JOA remains in full force and effect as originally signed and approved by the Council and the County.

11.2 Construction. The capitalized terms used in this JOA Amendment and not otherwise defined herein will have the meanings given to them in the JOA.

11.3 Signature Authority. The Council and the County each certify that the individual signing this JOA Amendment on its behalf is duly authorized and empowered to do so.

11.4 Memorandum. The Parties shall execute and acknowledge the Memorandum of Transfer and Joint Occupancy Agreements in the form and content attached to this Agreement as **Attachment “2”** and the AOC shall cause the Memorandum of Transfer and Joint Occupancy Agreements to be recorded in the Official Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles.

IN WITNESS WHEREOF, the Parties enter into this JOA Amendment as of the Effective Date of this JOA Amendment.

APPROVED AS TO FORM:

ADMINISTRATIVE OFFICE OF THE
COURTS, OFFICE OF THE GENERAL
COUNSEL

By: Rachel Dragolovich
Name: Rachel Dragolovich
Title: Attorney

JUDICIAL COUNCIL OF CALIFORNIA

By: Grant Walker
Name: Grant Walker
Title: Senior Manager, Business Services
Administrative Office of the Courts

ATTEST:

Sachi A. Hamai, Executive Officer
Board of Supervisors

**COUNTY OF LOS ANGELES, a body
corporate and politic**

By: _____
Deputy

By: _____
GLORIA MOLINA
Chair, Board of Supervisors

Approved as to Form:

ANDREA SHERIDAN ORDIN
County Counsel

By: Andrea Sheridan Ordin
Principal Deputy County Counsel

Attachment "1"

Lease

[See attached]

LEASE

THIS LEASE (this "Lease") dated _____, 20__ (the "Effective Date") is made by and between THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic ("Landlord"), and THE JUDICIAL COUNCIL OF CALIFORNIA, acting through the ADMINISTRATIVE OFFICE OF THE COURTS ("Tenant"), for the benefit of the Superior Court of California, County of Los Angeles (the "Court").

1. BACKGROUND

1.1. Immediately prior to the Effective Date, the State of California (the "State"), on behalf of Tenant, was the fee owner of an approximately 3.7726 acre parcel of improved real property (the "Land") in the City of Long Beach (the "City"), County of Los Angeles, State of California, improved by a courthouse building commonly known as the Long Beach Courthouse (the "Building"), and subterranean and surface parking, landscaping and related improvements (the Land, Building, parking areas, landscaping, all other improvements, collectively, the "Premises"), located at 415 West Ocean Boulevard, Long Beach, California, as more specifically described in Exhibit A, and as generally depicted in the site plan attached as Exhibit B. The State acquired title to the Premises from the County of Los Angeles (the "County") by quitclaim deed recorded on April 15, 2008 in the Official Records of Los Angeles County as Document No. 20080646034, pursuant to the Trial Court Facilities Act of 2002, as amended, and pursuant to the terms and conditions of a Transfer Agreement between Tenant and the County dated June 19, 2007 (the "Transfer Agreement").

1.2. Pursuant to a separate Agreement for the Exchange of Real Property and Escrow Instructions dated _____, 2009 ("Exchange Agreement") between Landlord and Tenant, Tenant shall have conveyed the Premises to Landlord on the Effective Date of this Lease.

1.3. Tenant and the County are parties to a certain Joint Occupancy Agreement dated as of June 19, 2007 (the "Original JOA") which addresses the respective rights and obligations of Tenant and the County with respect to the use, operation and maintenance of the Premises. Concurrently herewith, Tenant and the County shall enter into a an amendment to the Original JOA (the "JOA Amendment," and, together with the Original JOA and any further amendments made thereto from time to time, the "JOA") pursuant to which the JOA shall be subordinated to this Lease and the County shall retain the same rights and obligations with respect to its use, operation and

Attachment "1"

maintenance of certain portions of the Premises as the County had under the Original JOA.

2. LEASE OF PREMISES

Subject to the terms, covenants and conditions set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises.

3. ACCEPTANCE

Tenant is familiar with all aspects of the Premises and is satisfied that it is in an acceptable condition and meets Tenant's needs. Tenant does not rely on, and Landlord does not make, any express or implied representations or warranties as to any matters including, without limitation, (a) the physical condition of the Premises, including without limitation the structural components of any improvements or any building systems within or serving the improvements, (b) the existence, quality, adequacy or availability of utilities serving the Premises or any portion thereof, (c) the use, habitability, merchantability, fitness or suitability of the Premises for Tenant's intended use, (d) Hazardous Materials on, in, under or around the Premises, (e) zoning, entitlements or any laws, ordinances or regulations which may apply to Tenant's use of the Premises, or (f) any other matter whatsoever. Landlord makes no representations or warranties whatsoever regarding the Premises. Tenant accepts the Premises in their existing "AS-IS", "WHERE-IS" condition, and "WITH ALL FAULTS".

4. TERM

4.1. **Term.** The Premises are leased for a term (the "Term") commencing on the Effective Date ("**Commencement Date**") and expiring on the earlier of (a) 30 days after Tenant vacates the Premises and delivers written notice to Landlord that it has vacated the Premises, or (b) on the last day of the fifth (5th) year after the Commencement Date (the "**Expiration Date**"). The Term shall end on the Expiration Date, or such earlier date on which this Lease terminates pursuant to its terms. The date upon which this Lease actually terminates, whether by expiration of the Term, the Renewal Term or earlier termination pursuant to the terms of this Lease, is sometimes referred to in this Lease as the "**Termination Date**."

4.2. **Renewal Option.** Tenant shall have five options (each, a "**Renewal Option**") to extend the Term of this Lease for an additional one-year term (each, a "**Renewal Term**"). Each Renewal Term shall commence on the day after the expiration of the original Term or the preceding Renewal Term, as applicable. Tenant may not exercise a Renewal Option if a material uncured

Attachment "1"

default by Tenant exists, either at the time of exercise of the Renewal Option or the time of commencement of the applicable Renewal Term. Each Renewal Option must be exercised, if at all, by written notice from Tenant to Landlord given not more than nine (9) months and not less than three (3) months prior to the expiration of the Term. Each Renewal Term shall be upon the same terms and conditions as the original Term, except that (a) the Base Rent payable pursuant to Section 5.1 with respect to the Renewal Term shall be equal to the Prevailing Market Rent as of the commencement of the first Renewal Term, as determined pursuant to Exhibit C, and (b) from and after the exercise of the Renewal Option, (i) all references to "Expiration Date" shall be deemed to refer to the last day of the Renewal Term, and (ii) all references to "Term" shall be deemed to include the Renewal Term. Notwithstanding the above, a Renewal Term shall expire on the earlier of (y) one (1) year after commencement of such Renewal Term or (z) one hundred twenty (120) days following the date the State Fire Marshall provides written approval of occupancy of the new Courthouse Project (as defined in the Exchange Agreement).

4.3. Termination Right. Tenant shall have the right to terminate this Lease at any time during the Term or any Renewal Term upon thirty (30) days prior written notice to Landlord.

5. RENT

5.1. Rent. As consideration for the lease of the Premises, Tenant agrees to pay during the Term, Base Rent ("**Base Rent**") in the amount of One Dollar (\$1.00) per year payable in arrears, Operating Costs, and all other charges and expenses associated with Tenant's use and operation of the Premises (collectively, "**Rent**"). During the Renewal Term, if any, Base Rent shall be determined as set forth in Section 4.2, and shall be payable in equal monthly installments, payable each month of the Renewal Term in arrears.

5.2. Operating Costs. Tenant shall pay when due any and all costs of administration, management, maintenance, repair, replacement, use, occupancy or enjoyment of the Premises (collectively, "**Operating Costs**"). Tenant shall pay all Operating Costs directly, and shall contract directly for all required services, utilities (including without limitation water, gas, electricity, sewer service, waste pick-up, telephone and other electronic telecommunication services) and other items described herein.

6. USE OF PREMISES

Tenant may use and occupy the Premises during the Term for the operation of a courthouse, including parking and all related use, and for any other lawful use.

7. NET LEASE; NO COUNTERCLAIM OR ABATEMENT.

The Rent due hereunder shall be absolutely net to Landlord and shall be paid without assertion of any counterclaim, offset, deduction or defense and without abatement, suspension, deferment or reduction (except as otherwise provided in this Lease). Landlord shall not be expected or required under any circumstances or conditions whatsoever to make any payment of any kind with respect to the Premises or be under any obligation or liability hereunder, except if and solely to the extent expressly so provided elsewhere in this Lease.

8. REPAIR AND MAINTENANCE; NO LANDLORD RIGHT OF ENTRY

8.1. Repair and Maintenance. Tenant shall maintain the Premises in substantially as good order and repair as on the Commencement Date, reasonable wear and tear, damage by casualty and condemnation excepted. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or the improvements (except to the extent caused by Landlord's willful misconduct or gross negligence), and Tenant hereby expressly waives any right to terminate this Lease and any right to make repairs at Landlord's expense under Sections 1932(1), 1941 and 1942 of the California Civil Code, or any amendments thereof, or any similar law, statute or ordinance now or hereafter in effect.

8.2. No Right of Entry. Landlord acknowledges that due to operation of the Premises for court and court-related facilities, Tenant has strict statutory and other security responsibilities with respect to operation of the Premises. Therefore, Landlord relinquishes all rights of entry into the Building during the Term, except upon reasonable prior notice. Landlord shall be escorted by Tenant during any permitted entry.

9. ALTERATIONS

9.1. Alterations by Tenant. Tenant may make alterations, installations, additions or improvements, structural or otherwise (collectively, "Alterations") in, to or about the Premises without Landlord's prior written consent. All Alterations shall be done at Tenant's sole cost and expense, including without limitation the cost and expense of obtaining any permits and approvals required for any Alterations.

9.2. Ownership of Improvements. Except as provided in Section 9.3, all Alterations, and any other appurtenances, fixtures, improvements, equipment, additions and property permanently attached to or installed in or on the

Attachment "1"

Premises at the commencement of or during the Term, shall at the end of the Term become Landlord's property without compensation to Tenant.

9.3. Tenant's And County's Property. All interior improvements, fixtures, furniture, trade fixtures, furnishings, equipment (including telecommunications and computer network equipment), interior and exterior works of art and articles of personal property installed in or on the Premises by or for the account of Tenant before or after the Commencement Date, and which can be removed without structural damage to the Premises (collectively, "**Tenant's Property**") shall be and remain the property of Tenant and may be removed by it at any time during the Term, so long as Tenant restores the Premises to a safe condition after any such removal. All interior improvements, fixtures, furniture, trade fixtures, furnishings, equipment (including telecommunications and computer network equipment) and articles of personal property installed in or on the Premises by or for the account of County before or after the Commencement Date, to the extent not owned by Tenant, and which can be removed without structural damage to the Premises (the "**County's Property**"), shall be and remain the property of the County and may be removed by it at any time during the Term so long as Tenant restores the Premises to a safe condition after any such removal. Tenant's Property includes, without limitation, fixtures and improvements to courtrooms such as jury boxes, judges' daises, podiums, security devices and security systems. County's Property includes, without limitation, the County's telecommunication system existing on the Premises as of the Commencement Date, including wiring, switches, routers, optical fibers, power supplies, cable modems and antennas. Any items of Tenant's Property or the County's Property which remain in the Premises after the Termination Date may, on thirty (30) days prior written notice to Tenant or County, as applicable, at the option of Landlord, be deemed abandoned and in such case may either be retained by Landlord as its property or be disposed of, without accountability, at Tenant's expense (or, with respect to the County Property, at County's expense) in such manner as Landlord may see fit.

9.4. Long Beach Courthouse Structural Retrofit Project. Nothing contained in this Lease shall be interpreted to relieve Tenant or the County of Los Angeles of their respective obligations under the Transfer Agreement or the Trial Court Facilities Act of 2002, as amended, including but not limited to the obligation to complete the Long Beach Courthouse Structural Retrofit Project, C.P. 86497.

10. LIENS

Tenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. Landlord shall have the right at all times to post and keep posted on the Premises any

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notices permitted or required by law or that Landlord shall deem proper for the protection of Landlord and the Premises from mechanics' and materialmen's liens.

11. COMPLIANCE WITH LAWS

Tenant, at Tenant's cost and expense, shall comply with all applicable laws, statutes, codes, ordinances, orders, rules, regulations, conditions of approval, and requirements, of all federal, state, county, municipal and other governmental authorities with jurisdiction applicable to the Premises or the use, operation or occupancy of the Premises, whether now existing or hereafter enacted (collectively, "Applicable Laws").

12. INDEMNITY

12.1. Indemnity. Subject to Section 12.2, Tenant shall indemnify, protect, defend and save and hold Landlord and the Landlord Parties harmless from and against any and all losses, costs, liabilities, claims, judgments, liens, damages and expenses incurred in connection with or arising from: (a) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Lease on Tenant's part to be observed or performed, (b) the use or occupancy or manner of use or occupancy of the Premises by Tenant, its subtenants, licensees or concessionaires during the Term, and (c) any claims by any subtenants, licensees or concessionaires of Tenant that they qualify as "Displaced persons" pursuant to California Government Code Section 7260 (and the applicable rules, regulations and guidelines) resulting from the termination of their sublease, license or concession agreement, and are entitled to relocation assistance and benefits, (d) any claims by any subtenants, licensees or concessionaires of Tenant for loss of goodwill resulting from the termination of their sublease, license or concession agreement and (e) the release during the Term of any Hazardous Substances in violation of Environmental Laws on, in, under or from the Premises. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be indemnified for any losses, damages, liabilities, judgments, actions, claims, attorneys' fees, costs and expenses arising from the gross negligence or willful misconduct of Landlord or Landlord's Parties.

12.2. No Liability for Certain Matters. Landlord acknowledges that the Transfer Agreement and the Trial Court Facilities Act allocates certain liabilities, responsibilities and obligations relating to the Premises to the County, including without limitation responsibility for "Security-Related Areas" (as defined in Section 3 of the Transfer Agreement), seismic issues and certain matters relating to equipment in the Existing Courthouse. Notwithstanding anything to the contrary contained in this Article 12 or any other provision of this

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Lease, Landlord acknowledges and agrees that Tenant shall have no liability, obligations or responsibilities, and Landlord shall not have any claims against Tenant with respect to (i) security matters in the Security-Related Areas, and (ii) seismic events for which the County is responsible under the Transfer Agreement or Section 70324 of the Trial Court Facilities Act. Tenant shall cooperate with Landlord in enforcing, for Landlord's benefit, any of the County's obligations under the Sublease, the JOA, the Transfer Agreement or the Executed Consent Decree; provided that Tenant shall not in any circumstances be obligated to commence or prosecute any litigation or other formal dispute resolution proceeding other than as set forth in Section 11 of the JOA.

13. ASSIGNMENT AND SUBLETTING

13.1. **Assignment.** Tenant shall not assign all or any part of its interest in or rights with respect to the Premises or its leasehold estate (collectively, "**Assignment**"), without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

13.2. **Sublease.** Tenant shall have the right to sublet or license all or any portion of the Premises and to otherwise permit all or any portion of the Premises to be occupied by other persons (collectively, "**Sublease**") without Landlord's prior written consent, provided that any such Sublease shall terminate on the Termination Date. Without limiting the generality of the foregoing, Landlord acknowledges that the County shall occupy and have the right to use certain portions of the Premises pursuant to the terms and conditions of the JOA. The JOA and all existing and future subleases, licenses and concessions, and any other rights to occupancy, shall be subject and subordinate to this Lease.

Landlord acknowledges that prior to the date of this Lease, Tenant, as owner of the Premises, had entered into certain leases, licenses and occupancy agreements (collectively, "**Existing Occupancy Agreements**") including the JOA and a certain lease Agreement dated August 3, 2004 between Tenant, as Assignee of County, and the City for 162 parking spaces on the surface parking lot located on the Premises (the "**City Parking Lease**"). Tenant shall be entitled to all rents, proceeds and revenues from the Existing Occupancy Agreements. In addition, Agency shall cooperate to cause the City to subordinate the City Parking Lease to the terms and conditions of this Lease, and to enter into any modification of the City Parking Lease reasonably required by Tenant in order to effectuate such subordination and to conform to the terms and conditions of this Lease.

14. DEFAULT

14.1. **Default.** Tenant or Landlord shall be in default under this Lease if such party fails to perform its obligations under this Lease within thirty

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(30) days after written notice by the non-defaulting party, specifying the failure to perform; provided, however, that if the nature of Landlord's obligations is such that more than thirty (30) days are required for performance, then the party shall not be in default if the party commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

14.2. Budget Delay. Notwithstanding anything in this Lease to the contrary, a default by Tenant shall not occur if Tenant is unable to perform any Tenant obligation under this Lease due solely to the State's failure to timely approve and adopt a State budget. Upon the approval and adoption of the State budget Tenant shall promptly proceed to perform such obligations including, without limitation, payment of past due Rent.

14.3. Remedies. Upon the occurrence of a default as described in Section 14.1, each party shall have all rights and remedies available at law and in equity.

15. LIMITATION OF LANDLORD'S LIABILITY

Landlord shall not be responsible for or liable to Tenant and Tenant hereby releases Landlord, waives all claims against Landlord and assumes the risk for any injury, loss or damage to any person or property in or about the Premises by or from any cause whatsoever (other than Landlord's gross negligence or willful misconduct) including, without limitation, (a) theft or vandalism, (b) burst, stopped or leaking water, gas, sewer or steam pipes, (c) loss of utility service, (d) accident, fire or casualty, (e) and nuisance.

16. DESTRUCTION

16.1. Damage or Destruction; Duty to Restore. If the Premises or the improvements, or any portion thereof, are damaged or destroyed at any time during the Term and this Lease is not terminated in accordance with this Article 16, Tenant, as promptly as practicable and with all due diligence (given the time required to obtain insurance proceeds and to obtain construction permits), shall cause the repair, reconstruction and replacement of the improvements to a safe condition. Tenant shall have the right, in its sole discretion, to make any further repairs, reconstruction, replacements or alterations as Tenant may elect in its sole discretion.

16.2. Option to Terminate Upon Damage or Destruction. In the event of any damage to or destruction of the Premises or the improvements or any portion thereof at any time during the Term, if (a) the time period reasonably required to repair and restore the same to substantially the same condition as existed immediately prior to such occurrence is reasonably estimated by Tenant to

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exceed one hundred eighty (180) days, or (b) such damage or destruction materially interferes with Tenant's intended use of the Premises, as determined by Tenant, or (c) if such damage or destruction occurs during the last twelve months of the Term, then Tenant shall have the option to terminate this Lease, exercisable as provided below. Tenant may exercise its option to terminate this Lease pursuant to this Article 16 by giving written notice to Landlord. If Tenant elects to terminate this Lease pursuant to this Article 16, Tenant shall surrender the Premises to Landlord in accordance with the provisions of Article 18, except to the extent the damage or destruction prevents Tenant from so doing.

17. EMINENT DOMAIN

17.1. **Taking.** If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain or any transfer in lieu thereof, this Lease shall terminate as to the part so taken as of the date of taking or as of the date of final judgment, whichever is earlier. If the extent and nature of a partial taking substantially handicaps, impedes or impairs Tenant's use of the balance of the Premises, as determined by Tenant, Tenant shall have the right to terminate this Lease as to the balance of the Premises by written notice to Landlord within thirty (30) days after such date.

17.2. **Award.** In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall assign to Landlord any right to compensation or damages for the condemnation of its leasehold interest; provided that Tenant is entitled to any compensation for (a) Tenant's relocation expenses, and (b) the taking of Tenant's Property, and the County is entitled to compensation for (x) County's relocation expenses and (y) the taking of the County's Property.

(a) In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall repair, restore or reconstruct the Premises to a useable state; provided that Landlord shall not be required to expend any sums other than those received pursuant to Section 17.2.

(b) During the period between the date of the partial taking and the completion of any necessary repairs, reconstruction or restoration, Tenant shall be entitled to a reduction of Rent by a proportionate amount based upon the extent of interference with Tenant's operations in the Premises.

17.3. **Sale in Lieu of Condemnation.** A voluntary sale by Landlord of all or any part of the Premises to any public or quasi-public body, agency or person, corporate or otherwise, having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are

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pending, shall be deemed to be a taking under the power of eminent domain for the purposes of this Article.

18. SURRENDER

18.1. Surrender. Upon the Termination Date, Tenant shall surrender the Premises to Landlord in substantially as good order and repair as on the Commencement Date, wear and tear, casualty and condemnation excepted.

18.2. Holding Over. Any holding over after the expiration of the Term with the consent of Landlord shall be construed to automatically extend the Term on a month-to-month basis under the same terms as the Lease.

19. SIGNS

Tenant shall have the right, at Tenant's sole cost and expense, to install signage on the Premises, subject to compliance with all Applicable Laws. Any signage shall be removed by Tenant at the expiration or earlier termination of this Lease if so required by Landlord.

20. QUIET ENJOYMENT

Landlord covenants that so long as Tenant is not in default of its obligations under this Lease beyond expiration of any applicable notice or cure period, upon paying the Rent and performing all of its obligations under this Lease, Tenant shall peaceably and quietly enjoy the Premises, subject to the terms and provisions of this Lease.

21. AUTHORITY

21.1. Tenant represents and warrants as follows: (a) Tenant has the power, legal capacity and authority to enter into and perform its obligations under this Lease; (b) the execution and performance of Tenant's obligations under this Lease will not violate any provision of any agreement, obligation, or court order, to which Tenant is a party or by which Tenant or any of its property is subject or bound; and (c) no other action of any governmental authority is required for, and Tenant has no knowledge of any Applicable Law in effect that would prohibit, Tenant's execution, delivery, or performance of its obligations under this Lease.

21.2. Landlord represents and warrants as follows: (a) Landlord has the power, legal capacity and authority to enter into and perform its obligations under this Lease; (b) the execution and performance of Landlord's obligations under this Lease will not violate any provision of any agreement,

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obligation, or court order, to which Landlord is a party or by which Landlord or any of its property is subject or bound; and (c) no other action of any governmental authority is required for, and Landlord has no knowledge of any Applicable Law in effect that would prohibit, Landlord's execution, delivery, or performance of its obligations under this Lease.

22. BROKERS

Tenant shall be solely responsible to pay all compensation owed to Tenant's real estate broker, Cushman & Wakefield of California ("**Tenant's Broker**"), in connection with this Lease. Landlord and Tenant each warrant that no broker other than Tenant's Broker has been involved in the procurement of this Lease, and each party hereby agrees to indemnify, defend and hold the other harmless from and against any and all liabilities arising from any breach of the foregoing warranty or any claims by a third party for a brokerage commission or finder's fee arising out of this transaction.

23. MEMORANDUM OF LEASE

Concurrently with execution of this Agreement, the parties will execute, cause to be notarized, a Memorandum of Lease in the form attached hereto as **Exhibit D** and shall cause the Memorandum to be recorded in the office for the County Recorder.

24. MISCELLANEOUS

24.1. Notices. All notices or other communications between Landlord and Tenant required or permitted hereunder must be in writing and personally delivered or sent by fax, certified mail, return receipt requested and postage prepaid, or sent by reputable overnight courier, to the following addresses:

If to Landlord: The Redevelopment Agency of
 the City of Long Beach
 333 West Ocean Boulevard
 Fourth Floor
 Long Beach, California 90802
 Attention: Executive Director
 Telephone: (562) 570-6428
 Facsimile: (562) 570-6215
 Craig.Beck@longbeach.gov

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With a copy to: Office of the City Attorney
City of Long Beach
333 West Ocean Boulevard
Eleventh Floor
Long Beach, California 90802
Attn: Assistant City Attorney
Telephone: (562) 570-2210
Facsimile: (562) 436-1579
Email: Heather.Mahood@longbeach.gov

If to Tenant: Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, 8th Floor
San Francisco, California 94102-3688
Attn: Senior Project Manager
Telephone: (415) 865-4060
Facsimile: (415) 865-7524
E-mail: clifford.hamm@jud.ca.gov

and

Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Director
2860 Gateway Oaks Drive, Suite 400
Sacramento, CA 95833-3509
Telephone: (916) 263-1493
Facsimile: (916) 263-2342
E-mail: lee.willoughby@jud.ca.gov

With a copy to: Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Assistant Director, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102
Telephone: (415) 865
Facsimile: (415) 865
E-mail: burt.hirschfeld@jud.ca.gov

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In addition, all audit requests and notices by Landlord related to termination of this Lease, and any default notice or other notice alleging any breach or default by Tenant of this Lease must also be sent to:

Administrative Office of the Courts
Attention: Senior Manager, Business Services Manager
455 Golden Gate Avenue
San Francisco, California 94102-3688
Facsimile: (415) 865-4326

A Party may change its address for notice under this Lease by giving written notice to the other Party in the manner provided in this Section 23.1. Any notice or communication sent under this Section 23.1 will be deemed to have been duly given as follows: (1) if by personal delivery, on the date actually received by the addressee or its representative at the address provided above, or (2) if sent by certified U.S. mail, return receipt requested, on the first business day that is at least three calendar days after the date deposited in the U.S. Mail, or (3) if sent by reputable overnight courier as of the date delivered by the courier, or (4) if sent by facsimile transmission, upon electronic confirmation of good receipt by the receiving facsimile machine and provided that the original of such notice or communication is also sent to the recipient by overnight courier for delivery on the next business day following the day on which the facsimile transmission is sent. Facsimile notice received after normal business hours of the recipient will be deemed received at 9:00 a.m. on the first business day after the date on which the facsimile notice was confirmed electronically.

24.2. Time of the Essence. Time is of the essence as to each and every term and provision of this Lease.

24.3. Waivers. No waiver of any provision of this Lease will be valid unless it is in writing and signed by both Tenant and Landlord. Waiver by either Party at any time of any condition precedent in, or breach of, this Lease cannot be deemed a waiver of the same or any other condition precedent on any other occasion, or a consent to or waiver of a breach of the same or any other provision of this Lease on any other occasion. If a Party's action requires the consent or approval of the other Party, that consent or approval on any one occasion cannot be deemed a consent to or approval of that action on any later occasion or a consent or approval of any other action.

24.4. Force Majeure. Neither Party will be responsible for performance under this Lease to the extent performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (declared and undeclared), riots, rebellions, revolutions, or terrorism, litigation, strikes, lock-outs, unusually severe weather, or other causes beyond the

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reasonable control or without the fault of the party claiming an extension of time to perform, whether foreseeable or unforeseeable.

24.5. Binding Effect. This Lease binds the Parties and their permitted successors and assigns.

24.6. Third Parties Benefited. The State Parties are intended beneficiaries of all provisions of this Lease for the benefit of Tenant, and the Landlord Parties are the intended beneficiaries of all provisions of this Lease for the benefit of Landlord. Nothing in this Lease, express or implied, is intended to confer upon any person other than Landlord, Tenant, the State Parties, the Landlord Parties and their respective permitted successors and assigns, any rights or remedies under this Lease.

24.7. Governing Law. This Lease, and the parties' performance under this Lease, will be exclusively governed by the laws of the State without regard to its conflict of law provisions.

24.8. Construction. The headings used in this Lease are for convenience only and will not affect the meaning or interpretation of this Lease. The words "hereof," "herein," and "hereunder," and other words of similar import, refer to this Lease as a whole and not to any subdivision of this Lease. This Lease will not be construed against either Party as the principal draftsman. The words "include" and "including" when used are not exclusive and mean "include, but are not limited to" and "including but not limited to," respectively.

24.9. Integration; Amendments. This Lease and the Exchange Agreement contain the entire agreement of the Parties with respect to the lease transaction contemplated herein, and supersedes all previous communications, representations, understandings, and agreements, whether verbal, written, express, or implied, between the Parties. This Lease may be amended only by written agreement signed by both of the Parties.

24.10. Incorporation By Reference. The Exhibits contained in or attached to this Lease are all incorporated into and made a part of this Lease for all purposes, and all references to this Lease in any of the Exhibits will be deemed to include the entirety of this Lease.

24.11. Severability. If a term of this Lease is inconsistent with Applicable Law, then on the request of either party, the parties will promptly meet and confer to determine how to amend the inconsistent term in a manner consistent with Applicable Law, but all parts of this Lease not affected by the inconsistency will remain in full force and effect.

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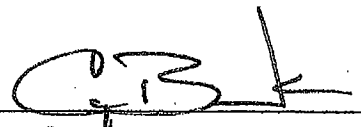
24.12. Survival. The indemnity obligations of the Parties as set forth herein shall survive termination of this Lease.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

"Landlord"

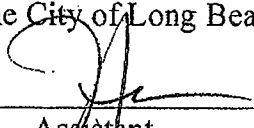
THE REDEVELOPMENT
AGENCY OF THE CITY OF
LONG BEACH, a public body
corporate and politic

By: 
Name: CRAIG BECK
Its: EXECUTIVE DIRECTOR
Date: 9/15/09

APPROVED AS TO FORM:

Approved as to form this 15 day of
Sept, 2009.

ROBERT E. SHANNON, City Attorney
of the City of Long Beach. General
Counsel for the Redevelopment Agency
of the City of Long Beach, California

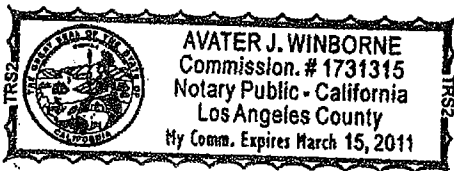
By: 
Assistant

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los AngelesOn September 15, 2009 before me,AVATER J. WINBORNE, Notary Public
Here Insert Name and Title of the Officer

personally appeared

CRAIG A. Beck
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Avater J. WinborneSignature of Notary PublicPlace Notary Seal and/or Stamp Above**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached DocumentTitle or Type of Document: LEASEDocument Date: NONENumber of Pages: 28 pages

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Corporate Officer — Title(s): _____☐ Individual☐ Individual☐ Partner — ☐ Limited ☐ General☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Attorney in Fact☐ Trustee☐ Trustee☐ Guardian or Conservator☐ Guardian or Conservator☐ Other: _____☐ Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

**RIGHT THUMBPRINT
OF SIGNER**

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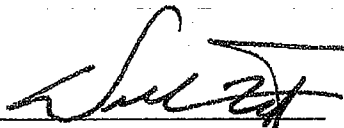
**RIGHT THUMBPRINT
OF SIGNER**

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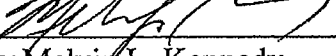
"Tenant"

JUDICIAL COUNCIL OF
CALIFORNIA,
ADMINISTRATIVE OFFICE
OF THE COURTS

By: 
Name: William C. Vickrey
Title: Administrative Director
Date: 9-17-09

Approved as to form:

ADMINISTRATIVE OFFICE OF THE COURTS,
OFFICE OF THE GENERAL COUNSEL

By: 
Name: Melvin L. Kennedy
Title: Managing Attorney, Real Estate Unit
Date: 09-17-09

GLOSSARY

As used in this Lease, the following terms shall have the following meanings, applicable, as appropriate, to both the singular and plural form of the terms defined below:

"Alterations" is as defined in Section 9.1.

"Applicable Laws" are defined in Section 11.

"Assignment" is defined in Section 13.1.

"Base Rent" is defined in Section 5.1.

"business days" means Monday through Friday, excluding Saturdays, Sundays and Federal and State legal holidays.

"City" means the City of Long Beach, a body corporate and politic.

"City Parking Lease" is defined in Section 13.2

"Commencement Date" is defined in Section 4.1.

"County" means the County of Los Angeles.

"County's Property" is defined in Section 9.3.

"Court" means the Superior Court of California, County of Los Angeles.

"Effective Date" is defined in introductory paragraph of this Lease.

"Environmental Law" means any Applicable Law which (i) relates to protection of human health or the environment, (ii) relates to Hazardous Substances, (iii) relates to liability for or costs of Remediation or prevention of Releases of Hazardous Substances, (iv) relates to liability for or costs of other actual or future danger to human health or the environment, (v) conditions transfer of property upon a negative declaration, or other approval of a governmental authority of the environmental condition of the property in question, (vi) requires notification or disclosure of Releases of Hazardous Substances, or other environmental condition of the property, to any governmental authority or other person or entity, whether or not in connection with transfer of title to or interest in property, (vii) imposes conditions or requirements in connection with permits or other authorization for lawful activity, (viii) relates to nuisance, trespass, or other causes of action related to the property, and/or (xi) relate to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the property,

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including but not limited to, the following laws, as they may be amended from time to time: Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq.; Federal Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq.; Clean Water Act, 33 U.S.C. section 1251, et seq.; Toxic Substances Control Act, 15 U.S.C. section 2601, et seq.; Refuse Act, 33 U.S.C. section 407; Occupational Safety and Health Act, 29 U.S.C. section 651, et seq.; Clean Air Act, 42 U.S.C. section 7401, et seq.; California Hazardous Waste Control Act, California Health and Safety Code sections 25100, et seq.; Carpenter-Presley-Tanner Hazardous Substance Account Act Substance Account Act, California Health and Safety Code sections 25300, et seq.; Hazardous Substance Cleanup Bond Act of 1984, California Health and Safety Code sections 25385, et seq., and related statutes including sections 25356.1-25356.4 of the California Health and Safety Code; Porter-Cologne Water Quality Control Act, California Water Code sections 13000, et seq.; Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code sections 25249.5, et seq.; California Health and Safety Code sections 25220, et seq., 25280, et seq., 25359.7; Code of Civil Procedure section 3483; and any similar federal, state, and/or local laws and ordinances and the regulations now or hereafter adopted, published, and/or promulgated pursuant thereto.

"Exchange Agreement" is defined in Section 1.2.

"Expiration Date" is defined in Section 4.1.

"Hazardous Materials" or **"Hazardous Substances"** includes, but is not limited to, any and all substances (whether solid, liquid, or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos, and asbestos-containing materials (**"ACM"**), polychlorinated biphenyls (**"PCBs"**), lead, lead-based paints, radon, radioactive materials, flammables, and explosives.

"JOA" and **"JOA Amendment"** are defined in Section 1.3.

"Landlord" is defined in the introductory paragraph to this Lease.

"Landlord Parties" means Landlord, its elected and appointed officers, employees and agents.

"Premises" is defined in Section 1.1.

"Operating Costs" is defined in Section 5.2.

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"Original JOA" is defined in Section 1.3.

"Release" includes, but is not limited to, any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, presence, or other movement of Hazardous Substances.

"Remediation" includes, but is not limited, to any response, remedial, removal, or corrective action mandated by any Environmental Laws; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance mandated by any Environmental Laws; any actions to prevent, cure or mitigate any Release of any Hazardous Substance mandated by any Environmental Laws; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling, and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances mandated by any Environmental Laws.

"Renewal Option" is defined in Section 4.2.

"Renewal Term" is defined in Section 4.2.

"Rent" is defined in Section 5.1.

"Security-Related Areas" is defined in Section 12.2 of this Lease and Section 3 of the Transfer Agreement.

"State" means the State of California.

"State Parties" means the Judicial Council of California, the Administrative Office of the Courts, the Court, and their respective political subdivisions, officers, agents, and employees.

"Sublease" is defined in Section 13.2.

"Tenant" is defined in the introductory paragraph to this Lease.

"Tenant's Broker" means Cushman & Wakefield of California.

"Tenant's Property" is defined in Section 9.3.

"Term" is defined in Section 4.1.

"Termination Date" is defined in Section 4.1.

"Transfer Agreement" is defined in Section 1.1.

Attachment "1"

"Trial Court Facilities Act" means the Trial Court Facilities Act of 2002, as amended, Gov't Code Sections 70301-70404.

EXHIBIT D [TO LEASE]

MEMORANDUM OF LEASE

Recording Requested By
and When Recorded Return To:

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is entered into as of _____, 20__ by and between THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic ("Landlord"), and THE JUDICIAL COUNCIL OF CALIFORNIA, acting through the ADMINISTRATIVE OFFICE OF THE COURTS ("Tenant"), for the benefit of the Superior Court of California, County of Los Angeles (the "Court").

A. Landlord is the owner of that certain property consisting of approximately 3.7726 acres of improved real property (the "Land") in the City of Long Beach, County of Los Angeles, State of California, improved by a courthouse building commonly known as the Long Beach Courthouse (the "Building"), and subterranean and surface parking, landscaping and related improvements (the Land, Building, parking areas, landscaping, and all other improvements, collectively, the "Premises"), located at 415 West Ocean Boulevard, Long Beach, California, as more specifically described in Exhibit A. Landlord and Tenant are entering into a lease of the Premises as set forth below.

AGREEMENT

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. **Premises.** Landlord hereby leases the Premises to Tenant and Tenant hereby hires the Premises from Landlord, upon the terms and conditions of that certain unrecorded lease dated of even date herewith (the "Lease"), the terms and conditions of which are incorporated herein by this reference.

Attachment "1"

2. **Term.** The term of the Lease commences on _____, 20__, and expires, if not sooner terminated pursuant thereto, on _____, _____.

3. **Options.** Tenant has the option to renew the Lease for up to five additional one year terms, pursuant to Section 4.2 of the Lease.

4. **Controlling Document.** This Memorandum of Lease is subject to all the terms and conditions of the Lease. Should there be any inconsistency between the terms of this instrument and the Lease, the terms of the Lease shall prevail.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Attachment "1"

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first above written.

"Landlord"

**THE REDEVELOPMENT AGENCY
OF THE CITY OF LONG BEACH, a
public body corporate and politic**

By: _____
Name: _____
Its: _____
Date: _____

APPROVED AS TO FORM:

Approved as to form this ____ day of
_____, 200__.

ROBERT E. SHANNON, City Attorney
of the City of Long Beach. General
Counsel for the Redevelopment Agency
of the City of Long Beach, California

By: _____
Assistant

Attachment "1"

"Tenant"

**JUDICIAL COUNCIL OF
CALIFORNIA, ADMINISTRATIVE
OFFICE OF THE COURTS**

By: _____
Name: William C. Vickrey
Title: Administrative Director
Date: _____

Approved as to form:

**ADMINISTRATIVE OFFICE OF THE COURTS,
OFFICE OF THE GENERAL COUNSEL**

By: _____
Name: Melvin L. Kennedy
Title: Managing Attorney, Real Estate Unit
Date: _____

[ACKNOWLEDGMENTS ATTACHED]

Attachment "1"

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above

Attachment "1"

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)

COUNTY OF _____)

ss.

On _____, before me, _____,

Date

Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,

Name of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ Attorney-In-Fact ☐ General
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number Of Pages

Date Of Document

Signer(s) Other Than Named Above

Attachment "1"

EXHIBIT A [TO LEASE]

Legal Description of Premises

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

ALL OF LOTS 13, 15, AND 17 THROUGH 41, AND A PORTION OF LOT 42, BLOCK 108, TOWNSITE OF LONG BEACH, AS SHOWN ON MAP RECORDED IN BOOK 19, PAGES 91 TO 96, INCLUSIVE, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE REGISTRAR-RECORDER/COUNTY CLERK OF THE COUNTY OF LOS ANGELES, INCLUDING THOSE PORTIONS OF BRONCE WAY, 10 FEET WIDE, NOW VACATED, VIRGINIA COURT, 16 FEET WIDE, NOW VACATED, AND CHESTNUT AVENUE, 80 FEET WIDE, NOW VACATED, ALL AS SHOWN ON SAID MAP OF TOWNSITE OF LONG BEACH, AND LOTS 1 THROUGH 5, STOVELL'S TRACT, AS SHOWN ON MAP RECORDED IN BOOK 6, PAGE 112, OF MAPS, IN THE OFFICE OF SAID REGISTRAR-RECORDER/COUNTY CLERK, INCLUDING THE ALLEY ADJOINING LOTS 3, 4 AND 5 OF SAID STOVELL'S TRACT, 8 FEET WIDE, NOW VACATED, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE SOUTHWESTERLY CORNER OF LOT 29 OF SAID BLOCK 108; THENCE NORTHERLY IN A DIRECT LINE TO THE NORTHWESTERLY CORNER OF LOT 18 OF SAID BLOCK 108; THENCE EASTERLY IN A DIRECT LINE TO THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 18 AND THE EASTERLY LINE OF THE WESTERLY HALF OF SAID VIRGINIA COURT; THENCE NORTHERLY ALONG SAID EASTERLY LINE TO THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 13 OF BLOCK 108; THENCE EASTERLY IN A DIRECT LINE TO THE INTERSECTION OF THE EASTERLY PROLONGATION OF SAID NORTHERLY LINE OF LOT 13 AND THE EASTERLY LINE OF THE WESTERLY HALF OF SAID CHESTNUT AVENUE; THENCE SOUTHERLY ALONG SAID LAST MENTIONED EASTERLY LINE TO THE EASTERLY PROLONGATION OF THE SOUTHERLY LINE OF LOT 4 OF SAID STOVELL'S TRACT; THENCE WESTERLY IN A DIRECT LINE TO THE SOUTHWESTERLY CORNER OF LOT 5 OF SAID STOVELL'S TRACT; THENCE WESTERLY IN A DIRECT LINE TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION

Attachment "1"
EXHIBIT B to LEASE

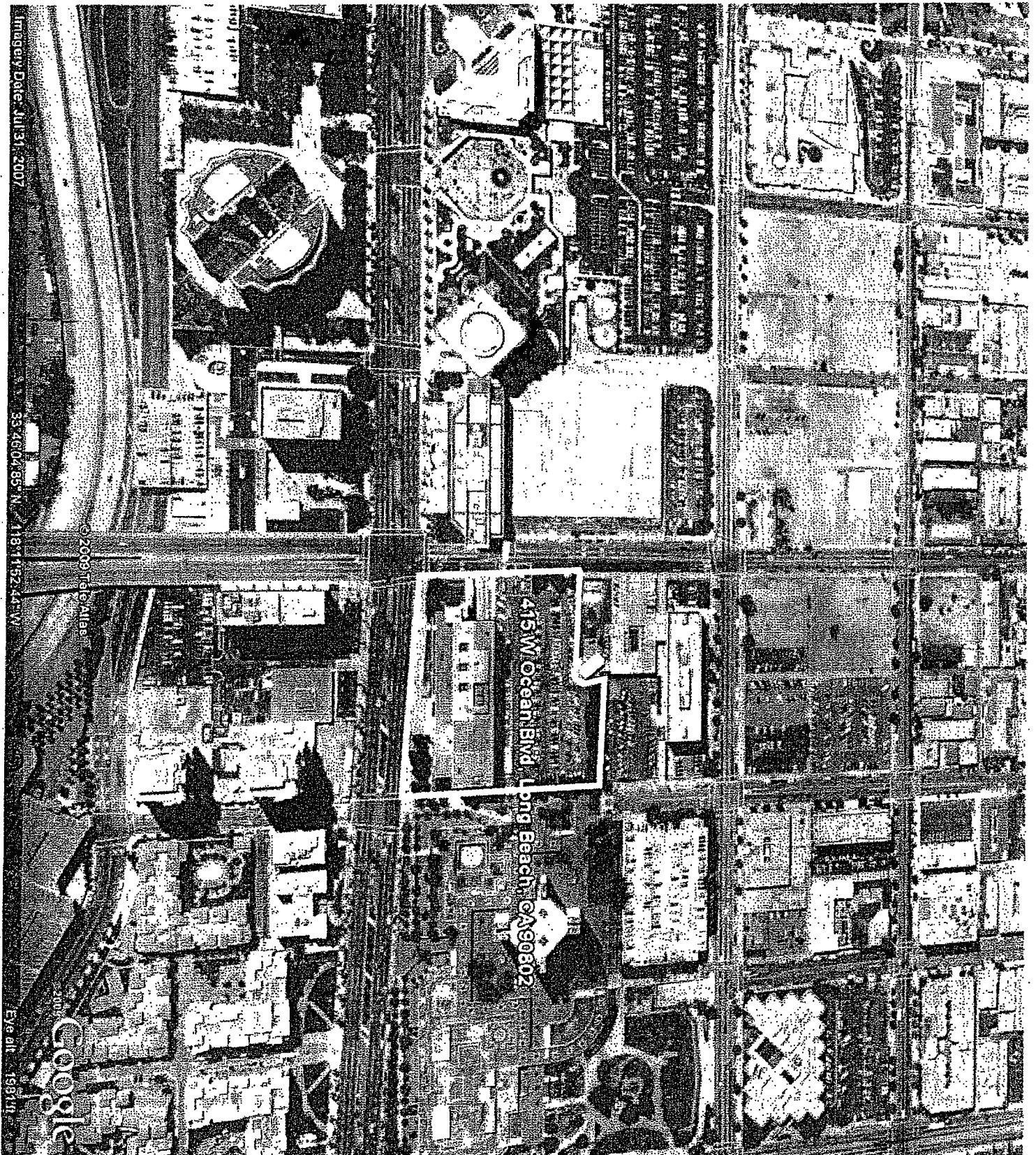


EXHIBIT C [TO LEASE]

Determination of Prevailing Market Rent

The term "*Prevailing Market Rent*" means the base monthly rent per rentable square foot (net of all expenses arising from ownership, maintenance or use of the Premises) for direct leases from the landlord (as opposed to subleases) of space of comparable size and location to the Premises and in buildings similar in age and quality to the Premises for a comparable term, taking into account any additional rent and all other payments or escalations then being charged and allowances and economic concessions being given for comparable space over a comparable term. The Prevailing Market Rent shall be determined as follows:

(a) Within thirty (30) days following Tenant's notice to Landlord that Tenant intends to renew this Lease for the Renewal Term, Landlord and Tenant shall meet no less than two (2) times, at a mutually agreeable time and place, to attempt to agree upon the Prevailing Market Rent.

(b) If within this 30-day period Landlord and Tenant cannot reach agreement as to the Prevailing Market Rent, they shall each select one appraiser to determine the Prevailing Market Rent. Each such appraiser shall arrive at a determination of the Prevailing Market Rent and submit his or her conclusions to Landlord and Tenant within thirty (30) days after the expiration of the 30-day consultation period described in (a) above.

(c) If only one appraisal is submitted within the requisite time period, it shall be deemed to be the Prevailing Market Rent. If both appraisals are submitted within such time period, and if the two appraisals so submitted differ by less than ten (10) percent of the higher of the two, the average of the two shall be the Prevailing Market Rent. If the two appraisals differ by more than ten (10) percent of the higher of the two, then the two appraisers shall immediately select a third appraiser who will within thirty (30) days of his or her selection make a determination of the Prevailing Market Rent and submit such determination to Landlord and Tenant. This third appraisal will then be averaged with the closer of the previous two appraisals and the result shall be the Prevailing Market Rent.

(d) All appraisers specified pursuant hereto shall be members of the Appraisal Institute (MAI) with not less than five (5) years experience appraising office, research and development and industrial properties in the Los Angeles/Long Beach area. Each party shall pay the cost of the appraiser selected by such party and one-half of the cost of the third appraiser plus one-half of any other costs incurred in the determination.

Attachment "2"

**FORM OF MEMORANDUM OF TRANSFER AND
JOINT OCCUPANCY AGREEMENTS**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

STATE OF CALIFORNIA
c/o Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Managing Attorney,
Real Estate Unit

OFFICIAL STATE BUSINESS - EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T CODE SECTION 27383 AND
DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922.

APN: 7280-025-900

MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS

THIS MEMORANDUM OF TRANSFER AND JOINT OCCUPANCY AGREEMENTS ("Memorandum of TA and JOA") is made and entered into the ____ day of _____, 2010 by and between the County of Los Angeles ("County"), whose present address is 754 Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012, Attention: Manager, Asset Planning and Strategy, Chief Executive Office, and the Judicial Council of California ("Council"), whose present address is 455 Golden Gate Avenue, San Francisco, CA 94102, Attention: Assistant Director, Office of Court Construction and Management, with respect to the following facts:

RECITALS

A. Council and County have entered into that certain Transfer Agreement for the Transfer of Responsibility for and Title to the Long Beach Courthouse dated June 19, 2007 ("TA"). Concurrently, Council and County have entered into that certain Joint Occupancy Agreement for the Long Beach Courthouse of even date therewith ("JOA"), setting forth the terms governing the Parties' respective rights and responsibilities regarding their shared possession, occupancy, and use of the Real Property (as defined below), and as more particularly described in the JOA;

B. Prior to the Effective Date of the TA and the JOA, County was the fee owner of that certain real property located in the City of Long Beach, County of Los Angeles, State of California, having a street address of 415 West Ocean Boulevard, Long Beach, California 90802, as more particularly described on **Attachment 1** to this Memorandum of TA and JOA ("**Land**"), together with the improvements located thereon containing the court facility commonly known as the Long Beach Courthouse, and all other buildings, structures, parking lots and improvements located on and/or affixed to the Land (together with the Land, the "**Real Property**");

C. The TA provides, among other things, for transfer of title to the Real Property from the County to the State of California ("**State**");

D. The TA further provides, among other things, that the County's equity interest in the Real Property would be compensated, should the Council sell or release title to the Real Property after Transfer of Title;

E. Pursuant to the TA, the County conveyed to the State title to the Real Property by quitclaim deed recorded on April 15, 2008 as Document No. 20080646034, of Official Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles;

F. Pursuant to that certain Agreement for Compensation for Equity Interest between the Council and the County, dated February 6, 2008 (the "**Equity Compensation Agreement**"), the Council has paid the County the Compensation (as defined therein) for its Equity interest in the Real Property;

G. Pursuant to that certain Agreement for the Exchange of Real Property and Escrow Instructions dated September 17, 2009 (the "**Exchange Agreement**") between the Council and the Redevelopment Agency of the City of Long Beach (the "**Agency**"), the State has conveyed the Real Property to the Agency, and the Agency and the Council have entered into a Lease ("**Lease**"), whereby the Agency leases the entire Real Property to the Council;

H. Council and County have entered into Amendment No. 1 to the JOA ("**JOA Amendment**") to provide, among other things, that the JOA shall be subject and subordinate to the Lease;

I. Under the terms of the JOA Amendment, this Memorandum of TA and JOA is be recorded in the Official Records of County with respect to the Real Property for the purpose of memorializing the existence of the TA and JOA, as amended, the terms of which inure to the benefit of, and bind, Council, County and their respective successors and assigns. Any third party interested in obtaining information about the TA and JOA may contact the parties at their above-referenced addresses.

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first above written.

APPROVED AS TO FORM:

JUDICIAL COUNCIL OF CALIFORNIA

Administrative Office of the Courts,
Office of the General Counsel

By: _____

Name: Grant Walker

Title: Senior Manager, Business Services

By: _____
Name: Rachel Dragolovich, Attorney

APPROVED AS TO FORM:

**COUNTY OF LOS ANGELES, a body
corporate and politic**

ANDREA SHERIDAN ORDIN
County Counsel

By: _____

Name: William T Fujioka

Title: Chief Executive Officer

By: _____
Principal Deputy County Counsel

COUNCIL ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 20 ____ before me _____,
Notary Public, personally appeared _____ who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing instrument is true and correct.

WITNESS my hand and official seal.

Signature: _____

(seal)

[illegible]

2 - 5

ATTACHMENT 1

LEGAL DESCRIPTION OF THE PROPERTY

All of Lots 13, 15, and 17 through 41, and a portion of Lot 42, Block 108, Townsite of Long Beach, as shown on map recorded in Book 19, pages 91 to 96, inclusive, of Miscellaneous Records, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, including those portions of Bronce Way, 10 feet wide, now vacated, Virginia Court, 16 feet wide, now vacated, and Chestnut Avenue, 80 feet wide, now vacated, all as shown on said map of Townsite of Long Beach, and Lots 1 through 5, Stovell's Tract, as shown on map recorded in Book 6, page 112, of Maps, in the office of said Registrar-Recorder/County Clerk, including the Alley adjoining Lots 3, 4 and 5 of said Stovell's Tract, 8 feet wide, now vacated, within the following described boundaries:

Beginning at the southwesterly corner of Lot 29 of said Block 108; thence northerly in a direct line to the northwesterly corner of Lot 18 of said Block 108; thence easterly in a direct line to the intersection of the easterly prolongation of the northerly line of said Lot 18 and the easterly line of the westerly half of said Virginia Court; thence northerly along said easterly line to the westerly prolongation of the northerly line of said Lot 13 of Block 108; thence easterly in a direct line to the intersection of the easterly prolongation of said northerly line of Lot 13 and the easterly line of the westerly half of said Chestnut Avenue; thence southerly along said last-mentioned easterly line to the easterly prolongation of the southerly line of Lot 4 of said Stovell's Tract; thence westerly in a direct line to the southwesterly corner of Lot 5 of said Stovell's Tract; thence westerly in a direct line to the point of beginning.